

Retiring



Retirement security is not an impossible dream



The road to retirement security can be filled with speed bumps and potholes along the way. Some plan participants may feel that they really don't have to worry too much about retirement because it's so far in the future. Others reduce or eliminate their retirement plan contributions because they have so many other pressing financial obligations. Still others lack the confidence that they can manage their retirement assets in an effective way.

However, the good news is that there are multiple small steps and strategies that can shift your retirement planning into high gear and help you move closer to a financially comfortable retirement. Here are some things you should consider doing.

✓ Prioritize your retirement security

Retirement planning may not be front and center in your priorities right now. Still, it's not wise to ignore the future. It is important to make a plan for the time when you will have to live without a regular salary. The reality is that the actions you take today could have a significant impact on the quality of your future life.

When you shift your priorities a little and start setting aside some time and effort for retirement planning now, you can increase the likelihood that you'll have the financial resources available to help you enjoy a financially secure retirement.

✓ Boost your contribution level

It's not rocket science: The more you contribute to your retirement plan, the greater your potential retirement savings.

Example	
Amount added to your retirement savings monthly	\$200
Assumed average annual total return	6%
Investment period	20 years
Total savings	\$92,408

This is a hypothetical example used for illustrative purposes only. It assumes amounts are invested monthly and monthly compounding. It does not represent the result of any particular investment. Your results will be different.

Increasing the amount you contribute may be less difficult if you are able to take advantage of the saver's credit. This tax credit is available to qualifying taxpayers who contribute to an eligible retirement savings plan or individual retirement account. It is claimed as a direct offset against a taxpayer's federal income tax.

To qualify for the credit, your income must fall within a certain range, which depends on your tax filing status. The credit is for 50%, 20% or 10% of retirement plan contributions up to \$2,000. You can find more information about the credit at [irs.gov](https://www.irs.gov).

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Think diversification

You can increase your potential for retirement security when you carefully allocate your plan money among the major asset classes and invest in well managed, diversified funds.¹ While diversification does not ensure a profit or protect against loss in a declining market, it can help reduce the risk that a portfolio's overall value will be impacted if one asset class suffers a decline for an extended period. In addition, a diversified portfolio is less likely to experience the volatility that is common in portfolios invested solely in equities.

Look to boost your annual return

A one percent increase in a portfolio's average annual return compounded over time can have a significant impact on the size of the portfolio.² Compare your investments' average annual total return against the returns of other similar investments. If it appears that your investments are underperforming, you may want to consult with an experienced financial professional to determine if you need to alter or moderate your current investing strategy.

More importantly, your financial professional can help you identify what steps you need to take to move you closer to a financially comfortable retirement



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

¹ You should consider a fund's investment objectives, charges, expenses, and risks carefully before you invest. The fund's prospectus, which can be obtained from your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money. Shares, when redeemed, may be worth more or less than their original cost.

² Compounding does not guarantee a profit or protect against loss in a declining market.